(c) In general purchasing power of the rupee is estimated as reciprocal of the CPI(IW) by taking the value of rupee as equal to 100 paise in 1982. The purchasing power of rupee since April 2004 is indicated in column 6 of the above table.

Absorption of the GTB employees in OBC

159. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether the National Institute of Bank Management had submitted its recommendations for absorption of the erstwhile employees of Global Trust Bank in the Oriental Bank of Commerce;

(b)if so, the details of pay scale recommended for each cadre;

(c) whether employees have since been absorbed in terms of the above recommendations; and

(d) if not, the reasons therefor and by when they would be finally absorbed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. National Institute of Bank Management (NIBM) had submitted a report to the Oriental Bank of Commerce (OBC) recommending cadre-wise pay scales.

(c) and (d) As per Amalgamation scheme prepared by RBI, the Oriental Bank of Commerce has been permitted a maximum time period of three years from 14th August, 2004 for absorption and fitment of the pay scales/ grades of employees of erstwhile GTB.

Insurance Sector in Rural Areas

160. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) the extent of outreach of the Insurance sector, life and general, separately in rural areas;

(b) what is the ratio of public and private sector insurance companies in this regard;

(c) how many insurance claims in rural areas were settled during the year 2003 and 2004; and

(d) whether the claim procedures are simplified and the instructions thereto are also in the language of the state concerned, in addition to English/Hindi as the rural population are comparatively less educated?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) During 2004-05, the premium underwritten by the life and non-life insurers in the rural sector is as under:

(Rs. in crores)

Insurers	Total Premium	Premium from Rural Areas Life	Rural Premium as %age of total premium
Private Sector	5556.94	150.93	2.72
LIC	19785.93	2037.11	10.29
Total	25342.88	2188.04	8.63
		Non-Life	
Private Sector	3562.93	249.94	7.02
Public Sector	13985.28	1117.74	7.99
Total	17548.21	1367.68	7.79

(c) The Insurance Companies collect data on number of claims settled during a particular period. However, there is no regulatory practice of collecting data on insurance claims settled in rural areas.

(d) According to the Insurance Regulatory and Development Authority (Policyholders' Interests) Regulations, 2002 claim procedures and documentation requirement are to be communicated to policyholders in an understandable language. As such, the insurance companies do use local language for communicating with the policyholders.

New provision in Income Tax law for savings

161. SHRI LALIT SURI: Will the Minister of FINANCE be pleased to state:

(a) whether, in view of the new provision made in the Income Tax law that savings upto one lakh of rupees be reduced from the total income, Government propose to allow the investors, option to make total investment of savings in accounts like PPF etc.; and